



© CIAT

Briefing Paper

Trade as a Tool for the Economic Empowerment of Women

By Yvonne Quaison

Summary

This briefing paper examines how trade can be used as a tool to promote gender equality and women's economic empowerment. In doing so, it explores the benefits and challenges of economic empowerment and how to expound on the effects of using trade for reversing or bridging the gap. The potential of women in trade is too often held back by the many constraints they face. In many parts of the world, they still lack of power and influence and have to cope with threats to their lives, health and well-being.

Introduction

“Women empowerment can change the structures that put them in subordinate positions relative to men.”¹ This can also be seen as the creation of an environment with equal opportunities for women to grow such as in education, employment, payments of salaries, the right to choose and make decisions, social and economic justice etc.

The empowerment and autonomy of women and the improvement of their political, social, economic and health status is a highly important end in itself and essential for the achievement of sustainable development (UNCTAD).²

Women’s growing participation in the economy has been a major engine of global growth and competitiveness. Despite these advances, women’s potential in trade is too often held back by many constraints they face. In most parts of the world, women are facing threats to their lives, health and well-being as a result of being over-burdened with work and of their lack of power and influence.

It is against this background that United Nations Conference on Trade and Development (UNCTAD) organised an expert meeting on the 23rd to 24th of May, 2016 to explore the gender and trade nexus with its main focus on the agriculture, manufacturing and services sectors. This briefing paper draws from the issues discussed at the expert meeting, which include a comprehensive examination of the use of trade as a tool in gender equality and women’s economic empowerment within the new global development frameworks, the 2030 Agenda for Sustainable Development (SDGs) and the Addis Ababa Action Agenda (AAAA) on finance and development. In doing so, it further explores the benefits and challenges of economic empowerment and how to expound on the effects of using trade as a tool in reversing or bridging the gap.

¹ Opening speech of Joachim Reiter (Deputy Secretary General of UNCTAD) at an UNCTAD expert meeting on Trade as a Tool for the Economic Empowerment of Women held at the Palais de Nation, Geneva on 23rd May 2016.

² Trade, Gender and Development (UNCTAD) http://unctad.org/en/PublicationsLibrary/ditcmisc2013d5_en.pdf

Women in Trade

Traditionally, women were considered to be caretakers of both home and family. However, in today’s society, their roles span from caretakers of home, family and working to make a living for themselves and their respective families as well. They have become the central force of their homes, societies and the world at large making them indispensable in the growth of the economy in many countries. Thus, trade as a tool for the economic empowerment of women is only a means to a greater end.

As trade and gender interact, they are mutually affected by many other domestic policies and international factors, which gives it the need for overall coherence in order to achieve development goals. For this to take place, several coordinated and gender-sensitive policies and implementation measures must be put in place in areas such as fiscal measures, education, labour, training and capacity building, innovation, financing, etc.³

Gender equality and women’s economic empowerment have multiple implications across the board. This has become a universal goal of many countries and can be seen in social, cultural and economic areas of society. However, due to the reproductive nature of women, most roles in society have been unfairly taken away from them hence the creation of gender inequality.

On the other hand, trade is seen as an economic tool through which women can achieve their goals and improve or bridge the gap of gender inequality. For example, trade as a tool can help create jobs which would give women some stability and income for their home and society. This equips them economically to be dependent on themselves and not the men.

³ Gender Equality and Trade policy (2011). Resource paper: Women Watch http://www.un.org/womenwatch/feature/trade/gender_equality_and_trade_policy.pdf

The new global frameworks, the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda (AAAA) on financing for development, provides an opportunity to address gender equality and women's economic empowerment in multiple ways by connecting economic, social and environmental issues together. Both provide frameworks which identify and address the main challenges which impede the full participation of women in the economy and society.

There are various ongoing initiatives seeking to help and improve women's participation in trade. Examples are the AAAA as mentioned above, the "SheTrades" initiative from the International Trade Centre (ITC), Geneva Gender Champions Network (GGCN) etc. "SheTrades" provides women entrepreneurs around the world with a unique network and platform to connect to markets. Through the "SheTrades" app, women entrepreneurs are able to share information about their companies, increase visibility, expand networks, connect and internationalize. This initiative aims to connect with one million entrepreneurs to markets by 2020 and also help corporations to include more women entrepreneurs in global value chains.⁴

The GGCN also focuses on specific commitments by heads of permanent missions, International Organizations and Civil Society Organization including private enterprises. The aim is to create a unique platform of collaborative exchanges to harness the full potential of women. These initiatives provide a clear link between gender equality and economic growth, one of the requisites of a sustainable development agenda which can be reached with appropriate policies and an educated workforce.

Another initiative is "The Women and Trade Programme" funded by the United Kingdom Aid through the Department of International

Development (DFID), the Department of Foreign Affairs and Trade of the Australian Government, the Ministry of Foreign Affairs of Finland, as well as with funds provided by Government of Norway and others through ITC's Global Trust Fund.

In addition, the women and Trade Programme work with a range of other partners across the world like trade support institutions, cooperatives, alliances, and private sector companies.⁵

Sectoral Analysis

Trade and Gender in Agricultural Sector

Trade and agriculture have always been an inseparable field and they try to provide a common ground for both producers and traders to meet. Trade and gender in the agricultural sector can simply not be overlooked due to the staggering number of women in this sector, yet, their efforts and visibility on the trading market cannot be seen since they are predominantly small scale farmers.

Women play significant roles in agriculture and other sectors of the economy. According to the Food and Agriculture Organization of the United Nations (FAO), agriculture is predominated by women and remain the most important source of women's employment especially in the poorest countries.⁶ In order to better understand or measure gender equality and the links between trade and agriculture, there must be certain fundamentals or basic requirements which must be equally accessible to women. Examples are access to credit, lands, productive resources, fair or equal opportunities to employment, capacity building, better working conditions, etc. These would further enhance their chances of having better livelihoods through the enhancement of trade and agriculture especially, in cases where women are not allowed to own lands.

Also, there are no policies to protect them in this

⁴ She Trades <http://www.intracen.org/itc/women-and-trade/SheTrades/>

⁵The women and Trade Programme
<http://www.intracen.org/itc/women-and-trade/Partners/>

⁶ FAO (2011). Role of Women in Agriculture
<http://www.fao.org/docrep/013/am307e/am307e00.pdf>

sector making it much more difficult for them to either enhance on their productivity or farming systems. This does not apply to food crops only but also in other areas of agriculture like fisheries, livestock etc. Since fishing is considered to be a man's job, women solely depend on the men for their catch. It is solely based on what the women are given at the end of the day that determines the success of their businesses and how well they will be able to trade with their post-harvest produce. Animals or livestock are not exempted from this sector since this is owned, managed and sold by men in most cases. Women virtually do not have any link with this until the final stage which is the post harvesting stage (salting, smoking, drying etc.).

As one can see from the above mentioned examples, it is very difficult for women to trade in these areas. The question is why not help them to do what they are good at especially in the food crops area by giving them all the needed support in resources (financial support, access to seedlings/ farming tools), capacity building, education (introducing them to new farming practices / improving on the old method), better understanding of trading policies and access to market with the right price for their produce etc. Women stand to gain a lot in trade if they are given the right opportunity to harness their full potential.

Trade and Gender in the Export-oriented Manufacturing Sector

Generally, the links between trade and gender in the export-oriented manufacturing sector tends to be the same across board in most countries as seen in Export Processing Zones (EPZ) which have had great growth and successes in their exports.

Evidence shows that international trade tends to increase the visibility of formal but mostly low-skilled, labour-intensive and low value added jobs in developing countries, with most of these jobs having

been filled by women in recent decades.⁷

Their employment seems to fit into a particular pattern, which is, light labour intense manufacturing. Their link to trade on paper is low although recent studies have shown that women's participation in the export-oriented manufacturing sector have increased. However, women are still concentrated in the manufacturing labour market which leaves them vulnerable with poor employment conditions with little or no social protection from their employers or the government. In the situation where the policies are present, authorities turn a blind eye to the dealings of the manufacturing companies. They also face occupational segregation and gender discrimination in their wages and sometimes end up with no pay through no fault of theirs.⁸ In other words, they are to be seen and not heard. They are particularly sought after due to these reasons and also because they are less unionized and have lower bargaining power over their wages and working conditions.

However, the fact that there is a significant increase in women's employment in this sector which is said to be trade expansion does not mean that there is an equal reduction in poverty especially, in women-headed households. In many cases, in their efforts to increase competitiveness, oriented industries have focused on employing women workers by taking full advantage of existing gender inequalities in women's access to economic and labour rights.

EPZs are often exempted from following the national provisions of labour legislation, leading to poor working conditions that exploit the desperate needs of many women and men for some forms of job.⁹ Economic development and social equality tend to go together in trade if a country is to succeed in their dealings to attain economic growth and relevance.

⁷ UNCTAD (2009). Mainstreaming gender in trade policy. Note by the UNCTAD secretariat. TD/B/C.I/EM.2/2/Rev.1, http://www.unctad.org/en/docs/ciem2d2_en.pdf

⁸ ILO (2010). Women in labour markets: Measuring progress and identifying challenges,

http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_elm/---trends/documents/publication/wcms_123835.pdf

⁹ ILO (2009a). Global Employment Trends for Women, http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_103456.pdf

Trade and Gender in the Services Sector

According to the International Labour Organization (ILO), globally, the services sector has overtaken agriculture as the sector that employs the highest number of women and men. By 2015, slightly more than half of the global working population was working in services (50.1 percent). While 42.6 percent of all men work in services, substantially more than half of the world's women are employed in that sector: since 1995, women's employment in services has increased from 41.1 percent to 61.5 percent.¹⁰ Services according to the World Trade Organization (WTO), represent the fastest growing sector of the global economy and account for two thirds of global output, one-third of global employment and nearly 20% of global trade.¹¹

This informs the world of the great significance of the services sector which cuts across all angles or spheres of the world. Under the WTO, the General Agreement on Trade in Services (GATS) has established global rules on trade and investment in services.¹² One justification for the inclusion of services in the WTO negotiations is the growth of services as an economic sector over the last two decades and its importance in the development of countries. Examples of such areas are communication services, tourism and travel services, transport services, construction and distribution services all within the jurisdiction of trade. Services trade has provided many

opportunities for women in both formal and informal sectors. Services can provide an alternative engine of growth, enabling latecomers in development to leap away from the traditional manufacturing route. Meanwhile, despite strong global growth, services exports continue to make up less than twenty-five percent of world exports. The discrepancy between the size of the sector and its importance in exports points to a major untapped potential in services trade.¹³ According to the International Trade Centre (ITC), too few developing countries are taking advantage of the new opportunities to specialize in the export of services. Businesses and governments are often not aware of the opportunities or the factors that impact local competitiveness including the limited availability and quality of data.¹⁴ The process of expediting and facilitating a business whether informal or formal in its entirety is trading. Women have become prominent figures in this sector with regards to its growth employing a greater number of them than men and sometimes seen to over-run the agricultural sector in this regard. According to UNCTAD, there is a noticeable feminization of the services sector, including those services involved in international trade, such as agricultural, retailing and distribution, professional, ICT, educational, tourism, financial, audio-visual, environmental and telecommunication services. Women in the services sector, have been seen to be employed more in the software, IT-enabled, and business processing area.¹⁵ It can, however, be said that the services

¹⁰ Women at work, trends (2016)
http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_457086.pdf

¹¹ Services rules for growth and investment
https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm6_e.htm and http://unctad.org/en/docs/ciem2d2_en.pdf

¹² GATS Articles IV and XIX relating to increasing the participation of developing and least developed countries in the international trade in services have sought to enhance multilateral commitments to market access from developed country partners in the services sectors, in both the modes and sectors of service supply of current and potential export interest to developing countries. In this context, Mode 1 (cross-border trade) and Mode 2 (consumption abroad) are of interest, and some developing and least developed countries have also used Mode 3 (commercial presence) successfully; but it is Mode 4 (movement of natural persons) that is considered to be of maximum benefit. This is because, for most developing

countries, labour at all skill levels constitutes their unique comparative advantage in international trade in services and it is only through the use of Mode 4 that many of these countries are able to participate in a number of labour-intensive sectors of international trade in services. Mode 4 also has a clear gender specificity in certain sectors.
http://unctad.org/en/docs/edm20042_en.pdf / https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm6_e.htm

¹³ Trade in services
<http://www.intracen.org/serviceexport/welcome.htm>

¹⁴ *ibid*

¹⁵ UNCTAD (2003a). UNCTAD Handbook of Statistics 2003. Geneva, United Nations Conference on Trade and Development. Sales No. E/F.03.II.D.33.

sector cuts across all the various sectors in trade. This is not to say that there are no set-backs or immediate challenges associated with women in this sector. Sexual harassment, discrimination and exploitation seem to top the list of worries in this sector.

Opportunities and Challenges

Opportunities

There are various benefits for women empowerment through the use of trade as a tool. These include: a broad change in livelihood not only in women but in the lives of families, societies, nations and the world; decline in gender inequality; decline in early marriages (girls of school going age); reduction in poverty; access to knowledge and opportunities; the acquisition of relevant skills for employment; and descent jobs and entrepreneurship opportunities. Finally, this helps women to be better equipped leading to the making of sound decisions and achievement of higher levels of economic productivity through diversification, technological upgrading and innovation.

Challenges

● *Social, cultural and religious norms*

Societal, cultural and religious restrictions have limited women's potential for expansion of their activities in the various sectors. Uncertain access to lands and a history of losing land rights have discouraged women's long-term investments in or improvements of their own land, even though they are responsible for household food security. Limited access to fertile lands for production and storage facilities is of great concern especially in the agricultural sector etc.

● *Education, training and capacity building*

In all the various sectors, lack of education, training and capacity building seem to top the list of issues in women empowerment. Most women in developing

and least-developed countries lack the appropriate education which would have helped improve their work or job practices. Some have never been to school and majority of those who do, end up not finishing (primary or high school education). Sometimes, some communities feel it is a waste of resources to educate a girl since she would end up in the kitchen. This leads to early marriages among girls. In addition to this is the fact that most women still cannot read in this modern age and do not even know their rights and what they are entitled to.

● *Lack of resources and funds*

Financial constraints is a real challenge for most women especially when they are the bread winners of their home. They do not have access to credit since most financial institutions insist on the provision of collateral which they do not have, in most cases. This becomes very difficult for them in the case of expansion or improvement of the business or work. Sometimes, basic resources like seedlings or farming tools are needed but are only allocated to their male counterparts and not them.

● *Lack of governmental support or assistance*

Support and assistance from government most often do not come or come in rather too late. Also, unfavourable policies which limit women and their capabilities, are a big inhibiting factor to the attainment of the development aspirations of women.

● *Improper working environment or conditions*

Working conditions and environment are most often not favourable especially in the manufacturing and services sector. These two sectors most often tend to abuse the privileges they have towards their workers especially women.

Conclusion and Recommendations

Although there have been various interventions on women empowerment in the various sectors, it is still not enough because social, cultural, religious and political dynamics still hinder their growth and participation in society and the world at large. Women have proved to be more resourceful in so many ways and need to be given more opportunities to harness their full potential. This must start with the following:

Education is fundamental for women's economic empowerment be it formal or informal. It forms the basis or foundation for many other opportunities thus making it suicidal for any nation to still exist and not educate its people. When more women are empowered, it eliminates early marriages, reduces gender disparities, leads to better family planning, encourages self-confidence leading to the proper assertion of rights. This eliminates a lot of uncertainties and also allows government to focus its resources elsewhere to further improve the livelihood of its people. An educated woman means a better chance of improved quality of life at home, work and in the society at large.

References

- CUTS International, Geneva, (2016). Report on the expert meeting on Trade as a Tool for the Economic Empowerment of Women.
- FAO (2011). ESA Working Paper NO.11-02, Role of women in Agriculture
- FAO (2011). The State of Food and Agriculture 2010-2011 – Women in Agriculture: Closing the Gender Gap for Development.
- Women Watch (2011). Resource paper: Gender Equality and Trade policy
- ILO (2009a). Global Employment Trends for Women
- ILO (2010). Women in labour markets: Measuring progress and identifying challenges
- ILO (2016). Women at Work Trends: Executive Summary,
- OECD (2012). Women's Economic Empowerment: The OECD DAC Network on Gender Equality (GENDERNET)
- UNCTAD (2003a). UNCTAD Handbook of Statistics 2003.
- UNCTAD (2004). Trade and Gender: Opportunities and Challenges for Developing Countries.
- UNCTAD (2008). Mainstreaming gender in trade policy: Case studies. TD/B/C.I/EM.2/3. 19 December.
- UNCTAD (2009). Mainstreaming gender in trade policy. Note by the UNCTAD secretariat. TD/B/C.I/EM.2/2/Rev.1
- UNCTAD (2016). Report on the expert meeting on Trade as a Tool for the Economic Empowerment of Women.
- UNFPA Workshop Report on Meeting the Needs of Poor Women at work, trends (2016)

Women need access to productive resources (land, credit, inputs, transport, extension services, storage, technical assistance and market opportunities and know-how) and the adoption of new technologies in order to take advantage of economies of scale. This can only be done through better policies and implementation from government with the support of relevant stakeholders.

They also need better working conditions, equal wages with social security and must be allowed to form unions if they so wish. They also need legal backing or frameworks to protect them in potential cases of unacceptable behaviour from their male counterparts with regards to sexual harassment and abuse of authority and power.

Economic empowerment of women through trade should, therefore, lead to the progressive elimination of gender disparities or inequalities in society, which would ultimately lead to the attainment of the development aspirations of women.



CUTS International, Geneva

CUTS International, Geneva is a non-profit NGO that catalyses the pro-trade, pro-equity voices of the Global South in international trade and development debates in Geneva. We and our sister CUTS organizations in India, Kenya, Zambia, Vietnam, and Ghana have made our footprints in the realm of economic governance across the developing world.

© 2016. CUTS International, Geneva.

This briefing paper is authored by Yvonne Quaison, with inputs from Elodie Arnell, Leslie Debornes and Winfred Katushabe. CUTS briefing papers are to inform, educate and provoke debate on specific issues. Readers are encouraged to quote or reproduce material from this paper for their own use, provided due acknowledgement of the source is made.

37-39, Rue de Vermont, 1202 Geneva, Switzerland
geneva@cuts.org • www.cuts-geneva.org
Ph: +41 (0) 22 734 60 80 | Fax:+41 (0) 22 734 39 14 | Skype: cuts.grc